

Friday January 20, 2012

## **Policy analyst warns against subsidy re-introduction**

Economist Dr Joe Abbey is warning against a possible re-introduction of subsidies on fuel.

Early this year, government announced a 15-20 per cent hikes in fuel prices after removing subsidies on the petroleum products but the implication has been deleterious, workers claim.

The workers are threatening strike and industrial unrest if government does not revert to the subsidy regime or provide a corresponding increase in salaries.

But in an interview with Joy News the head of the Centre for Policy Analysis (CEPA) Dr Joe Abbey said the workers must proceed cautiously.

He explained the world is crumbling under heavy debt regime, adding, the world is watching out for countries which are piling up debts due largely to unsustainable policies.

According to him, last year alone, the total amount of debt incurred as a result of subsidy was ₦458 million. That amount, he said, is not sustainable.

He said the country must choose to run an economy free of self inflicted debt or go back to our debt regime caused by subsidy on fuel products.

Joe Abbey called for better communication, and transparency to ease the pressure on government anytime subsidies are removed on fuel.

**Source: Myjoyonline.com**